

SCHEDULE 1.0

CERTAIN TERMS AS DEFINED IN THE ACT AS OF MARCH 12, 1997

"Dialing Parity" means that a person that is not an affiliate of a local exchange carrier is able to provide Telecommunications Services in such a manner that Customers have the ability to route automatically, without the use of any access code, their Telecommunications to the Telecommunications Services provider of the customer's designation from among two (2) or more Telecommunications Services providers (including such LEC).

"Exchange Access" means the offering of access to Telephone Exchange Services or facilities for the purpose of the origination or termination of Telephone Toll Services.

"Incumbent Local Exchange Carrier" means, with respect to an area, the Local Exchange Carrier, that (A) on the date of enactment of the Telecommunications Act, provided Telephone Exchange Service in such area, and (B)(i) on such date of enactment, was deemed to be a member of the exchange carrier association pursuant to Section 69.601(b) of the FCC's regulations (47 C.F.R. 69.601(b)), or (ii) is a person or entity that, on or after such date of enactment, became a successor or assign of a member described in clause (i).

"InterLATA" means Telecommunications between a point located in a local access and transport area and a point located outside such area.

"Local Access and Transport Area" or "LATA" means a contiguous geographic area: (a) established before the date of enactment of the Act by a Bell operating company such that no Exchange Area includes points within more than one (1) metropolitan statistical area, consolidated metropolitan statistical area, or State, except as expressly permitted under the AT&T Consent Decree; or (b) established or modified by a Bell operating company after such date of enactment and approved by the FCC.

"Local Exchange Carrier" means any person that is engaged in the provision of Telephone Exchange Service or Exchange Access. Such term does not include a person insofar as such person is engaged in the provision of a commercial mobile service under Section 332(c) of the Act, except to the extent that the FCC finds that such service should be included in the definition of such term.

"Network Element" means a facility or equipment used in the provision of a Telecommunications Service. Such term also includes features, functions, and capabilities that are provided by means of such facility or equipment, including subscriber numbers, databases, signaling systems, and information sufficient for billing and collection or used in the transmission, routing, or other provision of a Telecommunications Service.

"Number Portability" means the ability of end users of telecommunications services to retain, at the same location, existing telecommunications numbers without impairment of quality, reliability, or convenience when switching from one telecommunications carrier to another.

“Telecommunications” means the transmission, between or among points specified by the user, of information of the user’s choosing, without change in the form or content of the information as sent and received.

“Telecommunications Carrier” means any provider of Telecommunications Services, except that such term does not include aggregators of Telecommunications Services (as defined in Section 226 of the Communications Act).

“Telecommunications Service” means the offering of Telecommunications for a fee directly to the public, or to such classes of users as to be effectively available directly to the public, regardless of the facilities used.

“Telephone Exchange Service” means (a) service within a telephone exchange or within a connected system of telephone exchanges within the same exchange area operated to furnish subscribers intercommunicating service of the character ordinarily furnished by a single exchange, and which is covered by the exchange service charge, or (b) comparable service provided through a system of switches, transmission equipment, or other facilities (or combination thereof) by which a subscriber can originate and terminate a telecommunications service.

“Telephone Toll Service” means telephone service between stations in different exchange areas for which there is made a separate charge not included in contracts with subscribers for exchange service.

SCHEDULE 3.0

INITIAL NETWORK IMPLEMENTATION SCHEDULE FOR VIRGINIA

In accordance with the provisions of Section 3 of the Agreement, the Parties shall make their best efforts to meet the following initial Milestones no later than the listed Dates.

LATA in Virginia	Milestone	Date
LATA TBD	LATA Start Date	TBD
	SS7 Certification, Collocation, Operator Services/DA Facilities, and NXX(s) Applied For	TBD
	Parties Agree on Trunking Arrangements for Traffic Exchange	TBD
	Valid Access Service Request(s) ("ASRs") for Traffic Exchange Trunk Groups and Routing Information Received by BA	TBD
	Valid Orders for 911 Facilities Received by BA	TBD
	All Trunks (Traffic Exchange, Operator Services/DA, 911) Tested and Turned Up	TBD
	SS7 Certification Achieved; ¹ Collocation Arrangements Complete for Trunk Interconnection and Access to Network Elements ²	TBD
	Arrangements for Alternate-Billed Calls Agreed Upon	TBD
	Call-through Testing Completed; "Interconnection Activation Date"	TBD

Failure of a Party or the Parties to meet an earlier Milestone Date shall not relieve either Party of the responsibility to make its best efforts to meet subsequent Milestone Date(s) in the LATA, unless, and only to the extent that, the subsequent Milestone Date(s) depend on the timely completion of such earlier Milestone Date.

For purposes of Section 3, (i) business Telephone Exchange Service shall be considered "fully operational" in a LATA in Virginia when KMC Telecom has an effective Tariff for business Telephone Exchange Service in Virginia and has a significant number of Telephone Exchange Service Customer lines in service for business Telephone Exchange Service Customers in that LATA in Virginia that are not affiliates or employees of either BA or KMC Telecom, and (ii) residential Telephone Exchange

¹ SS7 certification scheduling depends on actual schedule availability at time of request. Initial implementation will be multi-frequency until SS7 certification is achieved.

² Intervals for IDLC collocation arrangements for VG ULL capability are 60 days for Virtual Collocation and 120 days for Physical Collocation from the date the arrangement is applied for.

Service shall be considered "fully operational" in a LATA in Virginia when KMC Telecom has an effective Tariff for residential Telephone Exchange Service in Virginia and has a significant number of Telephone Exchange Service Customer lines in service for residential Telephone Exchange Service Customers in that LATA in Virginia that are not affiliates or employees of either BA or KMC Telecom.

SCHEDULE 4.0

VIRGINIA

KMC - IPs

TBD

BA IPs

TBD

SCHEDULE 4.5

INTERCONNECTION POINTS FOR DIFFERENT TYPES OF TRAFFIC

Each Party shall provide the other Party with Interconnection to its network at the following points for transmission, routing and termination. Each Party shall make available at its Interconnection Points facilities to route the traffic it receives to the appropriate final destination. Interconnection at a BA-IP that is a Local Serving Wire Center provides access to all of the Interconnection Points identified below (except for paragraphs 8 through 11), via facilities appropriate for the traffic types and destinations identified below. Compensation for such facilities will be as set forth in Exhibit A or as provided elsewhere herein.

1. For the termination of Local Traffic or Toll Traffic originated by one Party's Customer and terminated to the other Party's Customer, at the points set forth in subsections 4.2 and/or 4.3 of the main body of the Agreement.
2. For the termination of Meet Point Billing Traffic from an IXC to:
 - (a) KMC, at the KMC-IP in LATA in which the Traffic is to terminate.
 - (b) BA, at the BA-IP in LATA in which the Traffic is to terminate.
3. For the termination of Transit Traffic from an ITC, wireless carrier, or other CLEC to:
 - (a) KMC, at the KMC-IP in which the Traffic is to terminate.
 - (b) BA, at the BA-IP in LATA in which the Traffic is to terminate.
4. For 911/E911 traffic originated on KMC's network, at the PSAP in areas where only Basic 911 service is available, or at the BA 911 Tandem Office serving the area in which the KMC Customer is located, in accordance with applicable state laws and regulations and PSAP requirements.
5. For Directory Assistance (411 or NPA-555-1212) traffic, at the applicable BA Local Serving Wire Center or the BA operator services Tandem Office subtended by such Local Serving Wire Center.
6. For Operator Services (call completion) traffic, at the applicable BA Local Serving Wire Center or the BA operator services Tandem Office subtended by such Local Serving Wire Center.
7. For LSV/VCI traffic, at the terminating Party's Local Serving Wire Center or operator services Tandem Office subtended by such Local Serving Wire Center.

8. For SS7 signaling originated by:

(a) KMC, at mutually agreed-upon Signaling Point of Interconnection(s) ("SPOI") in the LATA in which the Local or Toll Traffic originates, over CCSAC links provisioned in accordance with Bellcore GR-905 and Bell Atlantic Supplement Common Channel Signaling Network Interface Specification (BA_905).

(b) BA, at mutually agreed-upon SPOIs in the LATA in which the Local or Toll Traffic originates, over a CCSAC links provisioned in accordance with Bellcore GR-905 and BA-905.

Alternatively, either Party may elect to interconnect for SS7 signaling through a commercial SS7 hub provider.

9. For 800/888 database inquiry traffic, at any BA Signaling Transfer Point in the LATA in which the originating KMC Wire Center is located, over a CCSAC link. Alternatively, KMC may elect to interconnect through a commercial SS7 hub provider.

10. For Line Information Database ("LIDB") inquiry traffic, at any BA Signaling Transfer Point in the LATA in which the LIDB is located, over a CCSAC link. Alternatively, KMC may elect to interconnect through a commercial SS7 hub provider.

11. For any other type of traffic, at reasonable points to be agreed upon by the Parties, based on the network architecture of the terminating Party's network.

SCHEDULE 6.3

RATE ELEMENTS UNDER MEET POINT BILLING

Interstate Access - Terminating to or originating from KMC Customers

<u>Rate Element</u>	<u>Billing Company</u>
Carrier Common Line	KMC
Local Switching	KMC
Interconnection Charge	KMC
Local Transport Facility/ Tandem Switched Transport Per Mile	Based on negotiated billing percentage (BIP)
Tandem Switching	BA
Local Transport Termination/ Tandem Switched Transport Fixed	BA
Entrance Facility	BA
800 Database Query	Party that performs query

Intrastate Access - Terminating to or originating from KMC Customers (Pre-LTR tariff)

<u>Rate Element</u>	<u>Billing Company</u>
Carrier Common Line	KMC
Local Switching	KMC
Transport	Based on negotiated billing percentage (BIP)

Intrastate Access - Terminating to or originating from KMC Customers (Post-LTR tariff)

<u>Rate Element</u>	<u>Billing Company</u>
Carrier Common Line	KMC
Local Switching	KMC
Interconnection Charge	KMC
Local Transport Facility/ Tandem Switched Transport Per Mile	Based on negotiated billing percentage (BIP)
Tandem Switching	BA
Local Transport Termination/ Tandem Switched Transport Fixed	BA
Entrance Facility	BA
800 Database Query	Party that performs query

SCHEDULE 11.3

ACCESS TO NETWORK INTERFACE DEVICE

1. Due to the wide variety of NIDs utilized by BA (based on Customer size and environmental considerations), KMC may access the Customer's Inside Wire by any of the following means:

(a) Where an adequate length of Inside Wire is present and environmental conditions permit, Requesting Carrier may remove the Inside Wire from BA's NID and connect that wire to KMC's NID;

(b) Enter the Customer access chamber or "side" of "dual chamber" NID enclosures for the purpose of extending a connectorized or spliced jumper wire from the Inside Wire through a suitable "punch-out" hole of such NID enclosures;

(c) Request BA to make other rearrangements to the Inside Wire terminations or terminal enclosure on a time and materials cost basis to be charged to the requesting party (i.e., KMC, its agent, the building owner or the Customer).

2. If KMC accesses the Customer's Inside Wire as described in Paragraph 1(c) above, the time and materials charges will be billed to the requesting party (i.e., KMC, the building owner or the Customer).

3. In no case shall KMC remove or disconnect BA's loop facilities from BA's NIDs, enclosures, or protectors.

4. In no case shall KMC remove or disconnect ground wires from BA's NIDs, enclosures, or protectors.

5. In no case shall KMC remove or disconnect NID modules, protectors, or terminals from BA's NID enclosures.

6. Maintenance and control of premises wiring (Inside Wire) is the responsibility of the Customer. Any conflicts between service providers for access to the Customer's Inside Wire must be resolved by the Customer.

7. Due to the wide variety of NID enclosures and outside plant environments, BA will work with KMC to develop specific procedures to establish the most effective means of implementing this Schedule 11.3.

SCHEDULE 11.4

UNBUNDLED SWITCHING ELEMENTS

Local Switching

The unbundled local Switching Elements include line side and trunk side facilities (e.g. line and trunk side Ports such as analog and ISDN line side Ports and DS1 trunk side Ports) plus the features, functions, and capabilities of the switch. It consists of the line-side Port (including connection between a loop termination and a switch line card, telephone number assignment, basic intercept, one primary directory listing, presubscription, and access to 911, operator services, and directory assistance), line and line group features (including all vertical features and line blocking options that the switch and its associated deployed switch software is capable of providing and are currently offered to BA's local exchange customers), usage (including the connection of lines to lines, lines to trunks, trunks to lines, and trunks to trunks), and trunk features (including the connection between the trunk termination and a trunk card).

BA shall offer, as an optional chargeable feature, daily usage tapes. KMC may request activation or deactivation of features on a per-port basis at any time, and shall compensate BA for the non-recurring charges associated with processing the order. KMC may submit a Bona Fide Request for other switch features and functions that the switch is capable of providing, but which Bell Atlantic does not currently provide, or for customized routing of operator services and/or directory assistance traffic. BA shall develop and provide these requested services where technically feasible with the agreement of KMC to pay the recurring and non-recurring costs of developing, installing, updating, providing and maintaining these services.

Tandem Switching

The unbundled tandem Switching Element includes trunk-connect facilities, the basic switching function of connecting trunks to trunks, and the functions that are centralized in Tandem Switches. Unbundled tandem switching creates a temporary transmission path between interoffice trunks that are interconnected at a BA Access Tandem for the purpose of routing a call or calls.

SCHEDULE 27.1

PERFORMANCE INTERVAL DATES FOR SPECIFIED ACTIVITIES

SPECIFIED ACTIVITY	PERFORMANCE INTERVAL DATE²
(i) <u>Unbundled Local Loop Installation</u>¹	
1-10 Loops per service order	6 business days from BA's receipt of valid service order
11-20 Loops per service order	10 business days from BA's receipt of valid service order
21 + Loops per service order	To be negotiated on order-by-order basis
(ii) <u>Interim Number Portability Installation</u>	
1-10 Numbers per service order	6 business days from BA's receipt of valid service order
11-20 Numbers per service order	10 days from BA's receipt of valid service order
21 + Numbers per service order	To be negotiated on order-by-order basis
(iii) <u>Out-of-Service Repairs</u>	Less than 24 hours from BA's receipt of notification of out-of-service condition

¹ The Unbundled Loop Installation intervals set forth in this Schedule 27.0 apply only to ULLs offered by BA as of the date of this Agreement. Installation intervals for new ULLs will be developed by the Parties as such ULLs become available.

² Unless otherwise agreed to by the Parties, in which case the Performance Interval Date shall be extended until the agreed-upon date. Notwithstanding the Performance Interval Dates contained in this Schedule 27.1, under no circumstances will BA be obligated to extend installation, provision, or repair intervals to KMC Telecom that are more favorable than BA extends to its own customers for comparable services.

SCHEDULE 27.2

PERFORMANCE REPORTING

The following additional descriptions shall apply to the Schedules 27.2A to 27.2D that are appended hereto:

Schedule 27.2A (KMC Telecom-Specific) will report the statewide performance of BA for the services provided to KMC Telecom for the preceding calendar quarter for the measures set forth in the report and defined in Schedule 27.2E. The dates in the cells in Schedule 27.2A are the dates of the beginning of the first calendar quarter for which BA will be able to provide the information in that cell. Where the date is accompanied by the letters "TBD" ("to be determined"), the date in that cell is BA's then-current best estimate and target, but not yet a commitment. BA will make its best efforts to meet the "TBD" dates and will inform KMC Telecom of any potential change in those dates if and when that potential appears.

Schedule 27.2B (BA, including BA affiliates) will report statewide, system-wide performance of BA, including for the services provided to affiliate companies of BA, for the preceding calendar quarter for the measures set forth in the report and defined in Schedule 27.2E. The dates in the cells in 27.2B have the same meanings as those described above for Schedule 27.2A.

Schedule 27.2C (Top 3 Carriers) will report the statewide performance of BA for the services provided to the largest three telecommunications carriers interconnecting with or purchasing services from BA pursuant to Sections 251 and 252 of the Act, combined, for the preceding calendar quarter for the measures set forth in the report and defined in Schedule 27.2E. The dates in the cells in Schedule 27.2C have the same meanings as those described above for Schedule 27.2A. In order to preserve the confidentiality of other carriers' information, results for a service (report column) will only be produced on this report if all three carriers purchased the reported service in that calendar quarter.

Schedule 27.2D (10 Largest Retail Customers) will, at such time as BA is able to collect and report such information, and upon agreement regarding compensation for the collection and reporting of such information, if any, report statewide performance of BA for the services provided to its ten largest retail customers for the preceding calendar quarter for the measures set forth in the report and defined in Schedule 27.2E. The cells in Schedule 27.2D are all marked "TBD" ("to be determined") without an accompanying estimated date because BA has not yet determined that the collection and reporting of this information is feasible, and if it is, when such reporting might be available. BA agrees, however, that it will continue its best efforts assessment of the feasibility of collecting and reporting this information and will promptly report to KMC Telecom the results of that assessment and the availability of such information at such time as BA develops the capability to collect and report it for BA's own internal use.

KMC TELECOM MEASUREMENT REPORTS

KMC TELECOM SPECIFIC

Performance Measurement (a)	Actual BA Service Performance (by Quarter)				
	DSO (b)	DS1 (c)	DS3 (d)	CLEC TRUNKING (e)	POTS (f)
INSTALLATION					
g) Number of Installations	¹ See note below ¹	² See note below	³ See note below	⁴ 4-1-97	⁵ TBD 7-1-97
h) Average Interval in days	⁶ See note below	⁷ See note below	⁸ See note below	⁹ 4-1-97	¹⁰ TBD 7-1-97
i) Percent Install on time	¹¹ See note below	¹² See note below	¹³ See note below	¹⁴ 4-1-97	¹⁵ TBD 7-1-97
SERVICE QUALITY					
j) Number of Reports	¹⁶ See note below	¹⁷ See note below	¹⁸ See note below	¹⁹ 4-1-97	²⁰ See note below
k) Mean Time to Clear Reports	²¹ See note below	²² See note below	²³ See note below	²⁴ 4-1-97	²⁵ See note below
l) Number of Failures	²⁶ See note below	²⁷ See note below	²⁸ See note below	²⁹ 4-1-97	³⁰ See note below
m) Failure Frequency Percent	³¹ See note below	³² See note below	³³ See note below	³⁴ 4-1-97	³⁵ TBD 7-1-97
n) Percent Without Report Outstanding	³⁶ See note below	³⁷ See note below	³⁸ See note below	³⁹ 4-1-97	⁴⁰ TBD 7-1-97

¹ Note: End of first full calendar quarter following initial exchange of traffic between the Parties under this Agreement.

KMC TELECOM MEASUREMENT REPORTS

STATEWIDE, INCLUDING BA AFFILIATES

Performance Measurement (a)	Actual BA Service Performance (by Quarter)				
	DSO (b)	DS1 (c)	DS3 (d)	CLEC TRUNKING (e)	POTS (f)
INSTALLATION					
g) Number of Installations	¹ 1-1-97	² 1-1-97	³ 1-1-97	⁴ 4-1-97	⁵ 1-1-97
h) Average Interval in days	⁶ 1-1-97	⁷ 1-1-97	⁸ 1-1-97	⁹ 4-1-97	¹⁰ 1-1-97
i) Percent Install on time	¹¹ 1-1-97	¹² 1-1-97	¹³ 1-1-97	¹⁴ 4-1-97	¹⁵ 1-1-97
SERVICE QUALITY					
j) Number of Reports	¹⁶ 1-1-97	¹⁷ 1-1-97	¹⁸ 1-1-97	¹⁹ 4-1-97	²⁰ 1-1-97
k) Mean Time to Clear Reports	²¹ 1-1-97	²² 1-1-97	²³ 1-1-97	²⁴ 4-1-97	²⁵ 1-1-97
l) Number of Failures	²⁶ 1-1-97	²⁷ 1-1-97	²⁸ 1-1-97	²⁹ 4-1-97	³⁰ 1-1-97
m) Failure Frequency Percent	³¹ 1-1-97	³² 1-1-97	³³ 1-1-97	³⁴ 4-1-97	³⁵ 1-1-97
n) Percent Without Report Outstanding	³⁶ 1-1-97	³⁷ 1-1-97	³⁸ 1-1-97	³⁹ 4-1-97	⁴⁰ 1-1-97

KMC TELECOM MEASUREMENT REPORTS

TOP 3 CARRIERS

Performance Measurement (a)	Actual BA Service Performance (by Quarter)				
	DSO (b)	DS1 (c)	DS3 (d)	CLEC TRUNKING (e)	POTS (f)
INSTALLATION					
g) Number of Installations	¹ 1-1-97	² 1-1-97	³ 1-1-97	⁴ 4-1-97	⁵ TBD 7-1-97
h) Average Interval in days	⁶ 1-1-97	⁷ 1-1-97	⁸ 1-1-97	⁹ 4-1-97	¹⁰ TBD 7-1-97
i) Percent Install on time	¹¹ 1-1-97	¹² 1-1-97	¹³ 1-1-97	¹⁴ 4-1-97	¹⁵ TBD 7-1-97
SERVICE QUALITY					
j) Number of Reports	¹⁶ 1-1-97	¹⁷ 1-1-97	¹⁸ 1-1-97	¹⁹ 4-1-97	²⁰ 1-1-97
k) Mean Time to Clear Reports	²¹ 1-1-97	²² 1-1-97	²³ 1-1-97	²⁴ 4-1-97	²⁵ 1-1-97
l) Number of Failures	²⁶ 1-1-97	²⁷ 1-1-97	²⁸ 1-1-97	²⁹ 4-1-97	³⁰ 1-1-97
m) Failure Frequency Percent	³¹ 1-1-97	³² 1-1-97	³³ 1-1-97	³⁴ 4-1-97	³⁵ TBD 7-1-97
n) Percent Without Report Outstanding	³⁶ 1-1-97	³⁷ 1-1-97	³⁸ 1-1-97	³⁹ 4-1-97	⁴⁰ TBD 7-1-97

Note: Results produced when a minimum of 3 carriers purchase measured service

KMC TELECOM MEASUREMENT REPORTS

10 LARGEST RETAIL CUSTOMERS

Performance Measurement (a)	Actual BA Service Performance (by Quarter)				
	DSO (b)	DS1 (c)	DS3 (d)	CLEC TRUNKING (e)	POTS (f)
INSTALLATION					
g) Number of Installations	¹ TBD	² TBD	³ TBD	⁴ TBD	⁵ TBD
h) Average Interval in days	⁶ TBD	⁷ TBD	⁸ TBD	⁹ TBD	¹⁰ TBD
i) Percent Install on time	¹¹ TBD	¹² TBD	¹³ TBD	¹⁴ TBD	¹⁵ TBD
SERVICE QUALITY					
j) Number of Reports	¹⁶ TBD	¹⁷ TBD	¹⁸ TBD	¹⁹ TBD	²⁰ TBD
k) Mean Time to Clear Reports	²¹ TBD	²² TBD	²³ TBD	²⁴ TBD	²⁵ TBD
l) Number of Failures	²⁶ TBD	²⁷ TBD	²⁸ TBD	²⁹ TBD	³⁰ TBD
m) Failure Frequency Percent	³¹ TBD	³² TBD	³³ TBD	³⁴ TBD	³⁵ TBD
n) Percent Without Report Outstanding	³⁶ TBD	³⁷ TBD	³⁸ TBD	³⁹ TBD	⁴⁰ TBD

KMC TELECOM MEASUREMENT REPORTS

COLUMN & ROW DEFINITIONS

COLUMN HEADINGS

a): Performance Measurements column defines the general description of each measurement.

b, c, & d): DSO, DS1 and DS3 Columns respectively are Private Line Special Access results.

** DS1 and DS3 are discrete measurements. DSO is all other services.

e): CLEC Trunks: This column represents service for CLEC trunks that carry traffic office to office.

f): POTS: This represents all services considered POTS which includes both unbundled elements and resale.

INSTALLATION CATEGORIES

g): Number of Installations: This is the total number of service orders issued/ requested by KMC Telecom and completed by BA. Regardless of the number of elements or circuits ordered, each service order counts as 1.

h): Average Interval in days: This is the sum of the receipt date to the service order due date as established on the firm order confirmation (FOC) for each service order where BA established the interval using the normal interval with this sum being divided by the total number of service orders used in the calculation.

KMC Telecom will send BA a service order request (PON) and BA will return the final order confirmation (FOC) which stipulates the scheduled completion date. The time from the PON date to the date due established on the FOC represents the average interval per order.

BA flags each order with an appointment flag of either "x" or "w". If the scheduled interval reflected on the order is established by Bell Atlantic using the normal interval process, the order will be flagged with the "x". However, if KMC Telecom should request a date that is further out than the normal interval, the order will be flagged with the "w" to indicate that the long interval was offered at the customers request.

For this category measurement, only those orders with the "x" indicator will be counted.

If for some reason the order needs to be redated (longer or shorter), the final FOC date is the date that will be used for measurement purposes.

i): Percent Install on time: This measurement is the total number of installations (both "x" and "w" service orders) that were completed on time (based on the service order established due date) divided by the total number of service orders. This is the percentage of orders completed on time.

SERVICE QUALITY CATEGORIES

j): Number of reports: This is the total number of troubles received from KMC Telecom by service category. Each trouble counts as one and in cases where the trouble is redated or subsequent reports are received for escalations or to question status, BA will not count the subsequent reports. From receipt to close, each trouble counts as 1, regardless of the trouble resolution (CPE, NTF or BA Network).

k): Mean Time to Clear Reports: This is the total measurable hours and minutes from all troubles (from the time BA receives a trouble from KMC Telecom until the service is restored and closed with KMC Telecom) divided by the total number of troubles for the report period.

For DSO, DS1, DS3 and CLEC Trunking, the measurements will be "Stop Clock" measurements where "no access" (customer access delayed) time is removed from the measurement.

For POTS, this will be a running 24 hour clock from trouble receipt to trouble clearance time. The BA clear time is the time service is restored. The BA work process is for the customer (KMC Telecom) to be notified as soon as the service is cleared. BA does not use the "close time" because after clearing the trouble, the technician may stay and complete another hour or so of clean up before actually closing the trouble.

l): Number of Failures: The number of failures is the total number of trouble reports (by category) where the trouble was closed out to a code indicating that the fault was a BA service problem.

Removed from the total trouble reports will be all troubles that reflect the cause of the trouble to be other than a Bell Atlantic Network fault. Examples would be troubles caused by Customer Provided Equipment (CPE), errors by the customers/end user in the use of the service or where no trouble was detected (F/OK and T/OK).

m): Failure Frequency Percent: This measurement is the total number of Network Troubles "I", divided by the total number of circuits that KMC Telecom has purchased from BA. The result expressed as a percentage.

n): Percent Without Report Outstanding: For this measurement Bell Atlantic is to do the following:

1. Multiply the total number of circuits by the total hours in the report period to establish the total hours of service availability possible for the report period.
2. Add all of the measurable time (hours and minutes) for only the Network Reports to establish the total non service availability hours for the report period.
3. Subtract the "non service availability" hours from the "total service availability" hours and divide the result by the "total service availability" hours and display this as a percentage.

BELL ATLANTIC-VIRGINIA, INC. AND KMC

DETAILED SCHEDULE OF ITEMIZED CHARGES¹**A. BA Services, Facilities, and Arrangements:**

	BA Service	Non-recurring	Recurring
1.a.	Entrance facilities, and transport, as appropriate, for Interconnection at BA End Office, Tandem Office, Serving Wire Center, or other Point of Interconnection	Per interstate [BA FCC #1 sec. 6.9.1.] access tariffs for Feature Group D service Illustrative: Interstate non-recurring: \$1, plus \$1 switched access connection charge per DS-1 trunk; DS-1 entrance facility \$210-\$212/mo.	
1.b.	Collocation and related services for Interconnection at BA End Office, Tandem Office, or Serving Wire Center	Per interstate [BA FCC 1 sec. 19] access tariffs.	
1.c.	Tandem transit arrangements (for Interconnection between KMC and carriers other than BA)	Per tariffs cited in sections 1.a. and 1.b. above, as applicable; separate trunks required for IXC subtending trunks	\$0.0015/mou - tandem switching plus tandem transport as needed per interstate tariff [BA FCC 1 sec. 6.9.1.B]
1.d.	911 Interconnection	Per tariffs cited in 1.a., 1.b., and 1.c. above, as applicable, for entrance facility plus applicable transport, or Collocation Arrangement at 911 tandem	

¹ Pursuant to the Commission's Orders in Case Nos. PUC960100, PUC960103, PUC960104, PUC960105, and PUC960113, issued on November 8, 1996, rates as set forth herein, as applied to wholesale discount of retail Telecommunications Service are final or permanent (until otherwise changed by the Commission), and all other rates, including rates for unbundled Network Elements, call transport and/or termination of Local Traffic, shall be interim rates. These interim rates shall be replaced on a prospective basis by such permanent rates as may be approved by the Commission. At such time as such permanent rates have been approved by the Commission, the Parties shall append to this Exhibit an Exhibit AA, setting forth such rates. Exhibit AA may be updated from time to time by agreement of the Parties or by order of the Commission.

	BA Service	Non-recurring	Recurring
1.e.	Directory assistance Interconnection	Per interstate tariff BA FCC 1 sec. 9.6.B	Per interstate tariff BA FCC 1 sec. 9.6.B Illustrative: Per call rate \$.000082 fixed, \$.000019 per mile, \$.000353 tandem switching, \$.002311 interconnection
1.f.	Operator services (call completion) Interconnection	Per separate contract	
2.	Unbundled elements	Available as listed herein and pursuant to Section 11 of the Agreement	

	BA Service	Non-recurring	Recurring								
3.	Poles, ducts, conduits, ROW	Per contract rates pursuant to 47 U.S.C. sec. 224									
4.a.	Local loop transmission Unbundled Local Loop Element and cross-connect to Basic Links	Interim rates as follows until Commission determines permanent rates: Service Order \$20.21 Installation for new customers, per loop \$27.02 Installation for existing customers, per loop \$13.91 Coordinated cutover without field dispatch \$11 Coordinated cutover with field dispatch \$25	Interim rates as follows until Commission determines permanent rates: Local Loops: 2-wire loops Monthly <table><tr><th>Geographic Zone²</th><th>Rate</th></tr><tr><td>Density Group 1</td><td>\$ 9.52</td></tr><tr><td>Density Group 2</td><td>\$13.31</td></tr><tr><td>Density Group 3</td><td>\$19.54</td></tr></table> 4-wire loop rates - two times the 2-wire rates Cross Connects: \$0.86/DS-O All others at BA's interstate expanded interconnection tariff.	Geographic Zone ²	Rate	Density Group 1	\$ 9.52	Density Group 2	\$13.31	Density Group 3	\$19.54
Geographic Zone ²	Rate										
Density Group 1	\$ 9.52										
Density Group 2	\$13.31										
Density Group 3	\$19.54										
4.b.	Special construction charges	As applicable per BA-VA SCC 2-3 sec. 2									
5.a.	Trunk Side local transport DS-1 trunks	Per interstate [BA FCC 1 sec. 6.9.1.C] tariffs Illustrative recurring: \$60/mo fixed, \$17.70/mile/mo									
5.b.	DS-3 trunks	Tariff reference see 5.a. above. Illustrative recurring: \$900/mo fixed, \$180/mile/mo									

² Geographic density zones as proposed by BA in Exhibit CAE-54 in Case Nos. PUC960100, PUC960103, PUC960104, PUC960105, and PUC960113.

	BA Service	Non-recurring	Recurring
6.	Local switching Unbundled Switching Element POTS switch Port	\$6/service order per line to establish or modify service \$6/service order plus \$6/Port	\$0.003/mou of local switch usage \$1.55/mo
7.a.	Operator services 911 service (data entry; database maintenance)	No charge	
7.b.	Directory assistance	Per tariff or separate contract; branding available	Per tariff or separate contract Directory transport per section 1.e. above
7.c.	Operator call completion	Per separate contract; branding available	
8.a.	White pages and Yellow Pages (business only) directory listings	\$5.00 per primary listing per number	No charge
8.b.	Books & delivery (annual home area directories only)	No charge for normal numbers of books delivered to end users; bulk deliveries to CLEC per separate arrangement	

	BA Service	Non-recurring	Recurring
8.c.	Additional listings, changes to listings, non-listed, non-published, and other extra services	<p>Per tariff [BA-VA SCC 203 sec. 4] less wholesale discount to the extent required</p> <p>Illustrative:</p> <p>Additional listing: \$7.34 residence; \$13.86 business</p> <p>Change to listing: \$7.34 residence; \$13.86 business</p> <p>Non-list: \$7.34 residence; \$13.86 business</p> <p>Non-published: \$7.34 residence; \$13.86 business</p>	<p>Per tariff [BA-VA SCC 203 sec. 4] less wholesale discount to the extent required</p> <p>Illustrative:</p> <p>\$0.91/mo residence, \$1.16/mo business</p> <p>-</p> <p>\$0.86/mo residence or business</p> <p>\$1.39/mo residence or business</p>
9.	Access to telephone numbers (NXX codes issued per ICCF Code Administration Guidelines)	No charge	
10.a	SS7 Interconnection	Per interstate [BA FCC 1 sec. 6.9.1.G] tariff	<p>Per interstate [BA FCC 1 sec. 6.9.1.L] tariff</p> <p>Illustrative:</p> <p>STP ports, \$900/mo.;</p> <p>STP access, \$3.50/mile/mo. To \$5.72/mile/mo.</p>

	BA Service	Non-recurring	Recurring
10.b	LIDB Interconnection	Per interstate tariff [BA FCC 1 sec. 6.9.1M] Illustrative: Originating point code, \$125	Per interstate tariff [BA FCC 1 sec. 6.9.1M] Illustrative: Query validation \$0.04/query Query transport \$0.0002/query
10.c	800/888 data base Interconnection	No separate charge (included in FGD trunk and STP links)	Per interstate [BA FCC 1 sec. 6.9.2.A.1] tariffs Illustrative: basic query, \$0.00292/query; vertical feature package, \$0.000313/query
11.a	Interim Number Portability through co-carrier call forwarding	"Track and True-up" - LECs track their quantity of ported numbers and, once the Commission establishes a rate and cost recovery method, there will be a retroactive true-up with appropriate Commission determined interest charges.	
11.b	Access pass-through to number portability purchaser		In accordance with Section 14.5 of the Agreement.
12.	Local Dialing Parity	No charge	
13.a	Reciprocal call termination Local Traffic delivered to Bell Atlantic Interconnection Point*		\$.003/mou End Office Termination \$.005/mou Tandem Termination or LSWC Termination Calculated in accordance with note 6 below
13.c	Access charges for termination of intrastate and interstate Toll Traffic		Per interstate and intrastate access tariffs (charged in conjunction with Local Traffic, using PLU and PIU,

	BA Service	Non-recurring	Recurring
			as appropriate)
14.a	Wholesale rates for resale of telecommunications services provided to end users ³	<u>Percentage discount from retail tariff⁴</u>	
14.b	IntraLATA toll, including discount plans	Discount per sections 14.c. and 14.d. below applied to composite weighted average toll rate per minute	
14.c	Resale of retail Telecommunications Services if KMC provides its own Operator Services	21.3% or discount as determined by further Commission order.	
14.d	Resale of retail Telecommunications Services if KMC uses BA Operator Services	18.5% or discount as determined by further Commission order.	

³ Excludes telecommunications services designated primarily for wholesale, such as switched and special access, and, subject to Section 12 of the Agreement, the following additional arrangements that are not subject to resale: limited duration (90 days or less) promotional offerings, public coin telephone services, and technical and market trials. Taxes shall be collected and remitted by the reseller and BA in accordance with legal requirements and as agreed between the Parties. Surcharges (e.g., 911, telecommunications relay service, universal service fund) shall be collected by the reseller and either remitted to the recipient agency or NECA, or passed through to BA for remittance to the recipient agency or NECA, as appropriate and agreed between the Parties. End user common line charges shall be collected by the reseller and remitted to BA.

⁴ Pending establishment of mechanized billing procedures adapted to resale, the Parties will agree upon a composite "bottom-of-the-bill" discount that reflects the discounts and exclusions identified herein, and such other adjustments as the Parties agree.

B. KMC Services, Facilities, and Arrangements:

	KMC Service	Non-recurring	Recurring
1.a	Interim Number Portability through co-carrier call forwarding	"Track and True-up" - LECs track their quantity of ported numbers and, once the Commission establishes a rate and cost recovery method, there will be a retroactive true-up with appropriate Commission determined interest charges.	
1.b	Access pass-through to number portability purchaser		In accordance with Section 14.5 of the Agreement.
2.	Local Dialing Parity	No charge	
3.a	Reciprocal call termination Local Traffic delivered to KMC Interconnection Point*		\$.003/mou End Office Termination \$.005/mou Tandem Termination or LSWC Termination Calculated in accordance with note 6 below
3.b	Access charges for termination of intrastate and interstate Toll Traffic		Per interstate and intrastate access tariffs (charged in conjunction with Local Traffic, using PLU and PIU, as appropriate)
4.	All other KMC services available to BA	Available at KMC's tariffed or otherwise generally available rates or as agreed to by the Parties.	

6 LOCAL TRAFFIC TERMINATION RATES

A. Charges by BA

- (a) Traffic delivered to BA Local Serving Wire Center ("LSWC") or BA Access Tandem: \$.005 per mou
- (b) Traffic delivered directly to terminating BA End Office: \$.003 per mou

B. Charges by KMC

1. Single-tiered interconnection structure:

KMC's rates for the termination of BA's Local Traffic under the single-tiered interconnection structure shall be recalculated once each year on each anniversary of the Effective Date (the "Rate Determination Date"). The methodology for recalculating the rates is as follows:

LSWC/Access Tandem Minutes = Total minutes of use of Local Traffic delivered by KMC to the BA LSWC or BA Access Tandem for most recent billed quarter.

End Office Minutes = Total minutes of use Local Traffic delivered by KMC directly to the terminating BA End Office for most recent billed quarter.

Total Minutes = Total minutes of use of Local Traffic delivered by KMC to BA for most recent billed quarter.

KMC Charge at the KMC-IP =

$$\frac{(LSWC/Access Tandem Minutes \times \$0.005) + (End Office Minutes \times \$0.003)}{Total Minutes}$$

For the first year after the Effective Date, the KMC charge shall be calculated based on the traffic data of the quarter immediately preceding such Effective Date.

2. Multiple-tiered interconnection structure (if offered by KMC to any carrier)

- (a) Local Traffic delivered to KMC LSWC or KMC Access Tandem: \$.005
- (b) Local Traffic delivered to terminating KMC End Office/node: \$.003

C. Miscellaneous Notes

1. In the event a Party desires to deliver Local Traffic to a LSWC (i) that is not located within 25 miles of the Tandem Office to which it is subtended, or (ii) where the Tandem Office that it subtends is not located within 25 miles of the Tandem Office that is subtended by the terminating End Office, or (iii) that is not located within 25 miles of the Tandem Office that is subtended by the terminating End Office, then such Party shall (x) in addition to paying the LSWC/Access Tandem termination rate described above, purchase the necessary facilities from the terminating Party to transport such Traffic to an Access Tandem that is not subject to any of conditions (i), (ii), or (iii) above, (y) purchase such other service(s) as the terminating Party may offer under applicable tariff to remedy such condition(s), or (z) enter into a new compensation arrangement as the Parties may agree. Notwithstanding the foregoing, nothing in this Agreement shall obligate BA to provide switching services at a LSWC when it functions as such.

2. In the event the two-tiered rate structure described above is modified pursuant to Applicable Law to a single rate structure, BA and KMC (to the extent KMC is offering a multiple-tiered interconnection structure) shall each have the right to apply its tariffed switched access transport charges for transporting Local Traffic it receives at its LSWC to the first point of switching in its network in the LATA.

3. The KMC termination rate under the single-tiered interconnection structure set forth above is intended by the Parties to be a Local Traffic termination rate for Interconnection to the KMC-IP within each LATA that is reciprocal and equal to the actual rates that will be charged by BA to KMC under the two-tiered Local Traffic termination rate structure described above that will apply after the first anniversary of the Effective Date. The single KMC termination rate is also intended to provide financial incentives to KMC to deliver traffic directly to BA's terminating End Offices once KMC's traffic volumes reach an appropriate threshold. The Parties agree that the Reciprocal Compensation rate(s) set forth herein recover a reasonable approximation of each Party's additional costs of terminating calls that originate on the network facilities of the other Party

EXHIBIT B

BONA FIDE REQUEST PROCEDURES

1. The following procedures shall apply to any Bona Fide Request submitted by Requesting CLEC to BA for: (a) an Interconnection or access to an unbundled Network Element not otherwise provided hereunder at the time of such request, (b) an Interconnection or connection to a Network Element that is different in quality to that which BA provides to itself at the time of such request, (c) Collocation at a location other than a BA Central Office, and (d) such other arrangement, service, or Network Element for which a BFR is required under the Agreement. Items (a) through (d) above may be referred to individually as a "BFR Item." The BFR procedures set forth herein do not apply to those services requested pursuant to Report & Order and Notice of Proposed Rulemaking 91-141 (rel. October 19, 1992), Paragraph 259 and Footnote 603 or subsequent orders.
2. A BFR shall be submitted in writing and shall include a technical description of each requested BFR Item, and a forecast (e.g. volume requested, locations, dates) for such Item.
3. The requesting Party may cancel a BFR at any time, but shall pay BA's reasonable and demonstrable costs of processing, implementing the BFR, and/or developing the BFR Item up to the date of cancellation, and any wind-up costs resulting therefrom.
4. Within fifteen (15) business days of receipt of the BFR, BA will respond in one of the following ways:
 - (a) provide confirmation that the BFR is technically feasible and the date BA will deliver a price proposal, including a service description, pricing and an estimated schedule for availability;
 - (b) request a face-to-face meeting between technical representatives of both Parties to further explain the request;
 - (c) inform the requesting Party that BA must do laboratory testing (at the requesting Party's expense) to determine whether the request is technically feasible;
 - (d) inform the requesting Party that BA must do field testing (at the requesting Party's expense) to determine whether the request is technically feasible;
 - (e) inform the requesting Party that it is necessary for the Parties to undertake a joint technical/operational field test (at the requesting Party's expense) in order to determine both technical feasibility and operational cost impacts; or
 - (f) provide notification that it is not technically feasible to comply with the request along with an explanation.

5. Within ten (10) business days of receiving BA's response from Step 4, the requesting Party shall:
 - (a) negotiate a mutually agreeable schedule for BA's testing and agree to pay BA for the testing costs, in the case of Steps 4(c) or (d); or
 - (b) negotiate a mutually agreeable schedule for joint technical/operational field testing, and agree to pay BA the costs, in the case of Step 4(e).
6. Within ten (10) days of receiving BA's confirmation (from Step 4(a)), the requesting Party shall:
 - (a) accept BA's price proposal date and agree to pay BA the cost of developing the proposal;
 - (b) negotiate a different date for BA to deliver the price proposal, and agree to pay BA the cost of developing the proposal; or
 - (c) abandon the request.
7. Unless the Parties have agreed to another date, BA will deliver the BFR Item price proposal to the requesting Party in response to Step 5 or Step 6 as soon as reasonably practicable, but no later than ninety (90) days from the date BA provided the price proposal date, unless such delivery is technically unreasonable given the nature of the BFR. The price proposal shall include a service description of the BFR Item, the costs, including costs associated with the development of the BFR Item, and an estimated availability schedule.
8. The requesting Party accepts BA's price proposal or negotiates mutually acceptable changes.
9. BA makes the BFR Item available in accordance with Step 7.
10. Unless the Parties otherwise agree, all prices shall be consistent with the pricing principles of the Act and any applicable FCC or Commission rules, regulations, or orders.
11. If a Party to a BFR believes that the other Party is not requesting, or negotiating or processing the BFR in good faith, or disputes a determination, or price or cost quote, or is failing to act in accordance with Section 251 of the Act, such Party may seek mediation or arbitration by the Commission pursuant to Section 252 of the Act.